

**City of Fremont  
Community Facilities District No. 1  
(Pacific Commons)  
Continuing Disclosure Annual Report  
Fiscal Year 2003-04  
(per SEC Rule 15c2-12(b)(5))**

**CUSIP Numbers**

357129AA3	357129AB1	357129AC9
357129AD7	357129AE5	357129AF2
357129AG0	357129AH8	357129AJ4
357129AK1	357129AL9	357129AM7
357129AN5	357129AP0	357129AQ8
357129AR6	357129AU9	357129AV7
357129AW5	357129AS4	357129AT2

March 2005

***Continuing Disclosure Annual Report  
for  
City of Fremont Community Facilities District No.1  
(Pacific Commons)  
Fiscal Year 2003-04***

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This report contains certain information required to be filed annually per SEC rule 15c2-12(b)(5) (the "Rule") by the City of Fremont (the "City") Community Facilities District No. 1 ("the CFD"). The Rule is applicable to the Special Tax Bonds, Series 2001 ("the Bonds") issued in the aggregate amount of \$30,000,000 by the CFD in June 2001. SEC rule 15c2-12(b)(5) requires that an issuer undertake in a written agreement or contract, for the benefit of holders of the securities issued, to file with national and state repositories the following:

- i. Certain financial and Bonds information as presented in the Continuing Disclosure Certificate
- ii. Audited financial statements
- iii. Notice of certain enumerated significant events
- iv. Notice of any failure to provide such annual financial information as agreed

In compliance with SEC rule 15c2-12(b)(5), the City signed the Continuing Disclosure Certificate on June 27, 2001 requiring the City to provide annually, or as they occur, the aforementioned enumerated documents or events. Per the Continuing Disclosure Certificate, the City is required to file an annual report with all national and State of California repositories which includes:

1. The City's audited financial statements prepared in accordance with generally accepted accounting principals as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board, and as further modified according to applicable State law.  
  
→ **See Appendix A**
2. The principal amount of bonds outstanding as of June 30, 2004  
  
→ **\$30,000,000**
3. Balance in the Acquisition and Construction Fund as of June 30, 2004  
  
→ **\$16,161,324**
4. Balance in the Reserve Fund as of June 30, 2004.  
  
→ **\$3,000,000**

5. Total assessed value of all parcels subject to the Special Taxes and the current year's assessed value for the District.
- **\$139,632,526**
6. Special Tax and property tax delinquency rate for parcels in the District for the most recent year.
- **No delinquencies for fiscal year 2003-04**
7. Concerning delinquent parcels:
- number of parcels delinquent in payment of Special Tax,
  - amount of total delinquency and as a percentage of total Special Tax levy, and
  - status of the District's actions on covenants to pursue foreclosure proceedings upon delinquent properties.
- **No delinquencies for fiscal year 2003-04**
8. Identity of any delinquent tax payer obligated for more than 10% of the annual Special Tax levy and:
- assessed value of applicable properties, and
  - summary of results of foreclosure sales, if available.
- **None**
9. Significant amendments to land use entitlements for property in the District known to the City's Chief Financial Officer.
- **On July 23, 2002, the City Council approved PLN2002-00263 Pacific Commons Planned District Major Amendment. This Planned District Major Amendment modified the approved land use and circulation plans for the Planned Development known as Pacific Commons (P-2000-214). Specifically, the proposal: 1) relocated the proposed southerly extension of Boscell Road to the east and renamed it Braun Street; 2) created an area between the existing Auto Mall and proposed Braun Street that would be designated as a major retail area and that would accommodate both regional and community land uses; 3) designated additional lots southerly of the existing Auto Mall for additional auto dealerships; 4) allowed a reduction in the minimum height requirements for the office/R&D, retail and auto sales buildings on a portion of the site; and 5) rezoned two parcels of land from P2000-214**

**(Pacific Commons) to P-88-15B (Auto Mall). Additionally, the proposal necessitated an amendment to the City's Option Agreement for property within Pacific Commons to relocate the City's "Option Parcels" from the area proposed for major retail development to another location within the Pacific Commons project.**

10. Status of any significant legislative, administrative, and judicial challenges to the construction of the development in the District known to the City's Chief Financial Officer, without independent inquiry, for any year in which construction activity has occurred in the District.

→ **None**

11. For the most recent year for which the following information is available, any building permit issued for the construction of a building on a parcel subject to the Special Taxes and the City approval of any certificate of occupancy for any building on a parcel subject to the Special Taxes.

<b>APN/Building</b>	<b>Permit Issued?</b>	<b>Construction Commenced? Status?</b>	<b>Notice of Completion/ Occupancy</b>
525-1326-009 Buildings 1&2	Yes	Yes – Completed	Yes
525-1326-010,011 Buildings 3&4	Yes	Yes – Completed	Yes
525-1326-12 Building 5	Yes	Yes – Completed	Yes
525-1326-32 Building 6	Yes	Yes – Completed	Yes
Portion of 525-1326-21 & 525-1326-24 (Retail Area 2)	Yes	Yes – Vertical Construction Commenced	No
525-1326-22	No	N/A	N/A
Portion of 525-1326-23 & 525-1326-24 Arena Capital Building	Yes	Yes – Completed	Yes
Portion of 525-1326-24 Fremont Pediatric Bld.	Yes	Yes – Completed	Yes
525-1326-27	No	N/A	N/A
525-1326-28	No	N/A	N/A
525-1326-29	No	N/A	N/A
525-1326-35	No	N/A	N/A

525-1326-36	No	N/A	N/A
525-1326-37	No	N/A	N/A
525-1330-18 (Retail Area 2)	Yes	Yes – Vertical Construction Near Substantial Completion	Some Temp C of O Certificates Issued
531-223-29	No	N/A	N/A
531-223-030 & 531-223-031 (Magnussen Family LLC)	No	N/A	N/A
531-223-037 Building 7	Yes	Yes – Completed	Yes

12. To the extent not otherwise provided pursuant to the preceding items 1-11, annual information required to be filed by the District with the California Debt and Investment Advisory Commission pursuant to Sections 50075.1, 50075.3, 53359.5(b), 53410(d), or 53411 of the California Government Code.

→ See Appendix B

### **Reporting of Significant Events**

Pursuant to the provisions of the Continuing Disclosure Certificate, the City shall give, or cause to be given, notice of the occurrence of any of the following events, if material:

1. Principal and interest payments delinquencies.
2. Non-payment related defaults.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.
4. Unscheduled draws on credit enhancements reflecting financial difficulties.
5. Substitution of credit or liquidity providers, or their failure to perform.
6. Adverse tax opinions or events affecting the tax-exempt status of the security.
7. Modifications to rights of security holders.
8. Bond calls.
9. Defeasances.
10. Release, substitution, or sale of property securing repayment of the securities.
11. Rating changes.

As defined above, no significant events have occurred over the past fiscal year relating to the Series 2001 Bonds.